

REG-35-312 RECORDS

312.01 Each licensed organization, manufacturer, distributor, and pickle card operator shall maintain complete, accurate and legible accounting records with detailed supporting records sufficient to furnish information regarding all transactions pertaining to its lottery by pickle card activities. Such records shall be retained for a period of not less than three years.

312.01A A licensee may conduct its accounting on a cash basis, accrual basis or any other generally recognized accounting basis which correctly reflects the operation of the business.

312.01B All records required by the Nebraska Pickle Card Lottery Act and the regulations adopted to carry out that Act shall be open to inspection by the Department, as well as any law enforcement officials.

312.02 Each organization licensed to conduct a lottery by the sale of pickle cards shall maintain its pickle card activity records separate from all other records of the organization. The following types of records must be maintained by the licensed organization:

312.02A Invoices for all purchases of pickle card units and punchboards by the organization, including the type of unit or board purchased, the serial number for each unit or punchboard purchased, the name of the distributor from whom the units or boards were purchased, the purchase price of each unit or board, the date of purchase and the check number of the check drawn on the organization's pickle card bank account used to purchase the units or boards;

312.02B The gross proceeds for each pickle card unit or punchboard purchased and the ideal prizes awarded by that unit or board. Gross proceeds shall mean the total number of pickle cards in the unit or total number of punches on a punchboard multiplied by the selling price per pickle card or punch. Ideal prizes shall mean the amount of prizes offered by the unit or board as indicated by the manufacturer on the payout slip and flare card enclosed with the unit or on the face of the punchboard;

312.02C The name and address of each pickle card operator authorized to sell pickle cards or punches from a punchboard for the licensed organization;

312.02D The amount of commission retained by each pickle card operator for selling pickle cards or punches from a punchboard on behalf of the licensed organization and for each unit or board sold at that location, the type of unit or board, serial number, the definite profit, and the net amount paid by the operator to the organization;

312.02E Normal books of account generally maintained by a reasonable prudent business person engaged in a similar business. These records will include, but are not limited to accounts payable journals, accounts receivable journals, sales journals, and purchase journals; and

312.02F A detailed breakdown of all pickle card expenses incurred by the organization. These expenses include, but are not limited to:

312.02F(1) The unit cost of pickle card units and punchboards including, the cost of imprinting individual pickle cards, taxes and delivery charges invoiced by the distributor; pickle card operators' commissions; sales agents' commissions; fees; salaries; rent; equipment; supplies; advertising; promotional expenses; and any other expense incurred with the marketing of pickle cards and punchboards by the licensed organization.

312.02F(2) These records must be maintained for all pickle card and punchboard expenses, even if those expenses are paid from a source other than the pickle card bank account of the licensed organization.

312.03 Each organization licensed to conduct a lottery by the sale of pickle cards shall maintain a separate pickle card checking account from all other bank accounts of the organization. The amount representing the definite profit less any pickle card operator's commission derived from the transfer of all pickle card units and punchboards to pickle card operators shall be deposited into this account.

312.03A An organization must maintain the following records in connection with this bank account:

312.03A(1) All deposits, withdrawals, and transfers;

312.03A(2) All canceled checks;

312.03A(3) All bank statements; and

312.03A(4) Records of all expenditures from any bank account used in connection with a lottery by the sale of pickle cards and a description of the purpose of the expenditure.

312.03B An organization may maintain more than one bank account devoted to pickle card proceeds; provided, at least one account is a checking account from which all lawful purpose donations and expenses

relating to the licensed organization's pickle card activities are made. For each such account, the records required by Regulation 35-312.03A must be maintained.

312.04 Each licensed pickle card operator shall maintain separate records of its pickle card activities for each Class II licensed organization for whom it sells pickle cards or punches from a punchboard. A pickle card operator, shall at a minimum, keep and maintain the following types of records for a period of not less than three years:

312.04A A copy of the receipt issued by the licensed organization or sales agent for all pickle card units and punchboards sold by the licensed organization, including the form number and type of pickle card unit or punchboard sold, serial number, name of the organization from whom the pickle card units or punchboards were purchased, the name of the sales agent who sold the pickle card units or punchboards to the operator, the definite profit of each unit or punchboard, the pickle card operator's commission on each unit or punchboard, and the check number and date of the check used to pay for the pickle card units or punchboards; and

312.04B A record of all money or any other items of value received from a licensed organization as a commission for selling pickle cards or punches from a punchboard on behalf of the organization.

312.05 A licensed distributor located in Nebraska which sells pickle card units or punchboards to purchasers outside of the state of Nebraska must keep the following records of those sales for a period of not less than three years:

312.05A The name, address, city, state, and zip code of the purchaser;

312.05B The type of pickle card units or punchboards sold and the serial number of each;

312.05C The date of sale;

312.05D The manner of shipment, including name, address, and telephone number of the individual, firm, or corporation with whom the pickle card units or punchboards were shipped; and

312.05E The total number of pickle card units or punchboards sold to each purchaser.

312.06 A licensed distributor shall maintain the following records on the sale of pickle card units or punchboards in Nebraska for a period of not less than three years:

312.06A The name, address, city, state, and zip code of all organizations to whom pickle card units or punchboards are sold;

312.06B The total number of units and boards sold to each organization, including the type of pickle card unit or punchboard, serial number, form number, and corresponding state identification stamp number assigned to that pickle card unit or punchboard;

312.06C The gross proceeds from each pickle card unit or punchboard; and

312.06D The ideal prizes offered by each pickle card unit or punchboard.

312.07 A licensed manufacturer shall maintain records containing the following information concerning sales of pickle card units and punchboards to pickle card distributors licensed by Nebraska for a period of not less than three years;

312.07A Each distributor's name, address, city, state, zip code and state identification number to whom pickle card units or punchboards are sold;

312.07B The quantity of each type of unit or board sold to each distributor, including a description of the pickle card unit or punchboard, serial number, and form number assigned to each unit or board;

312.07C The gross proceeds from each pickle card unit or punchboard; and

312.07D The prizes offered by each pickle card unit or punchboard.

(Section 9-341, R.R.S. 1943. Sections 9-302, 9-333, 9-340.01, 9-342, 9-343, 9-347, 9-348, and 9-349, Cum. Supp., 1990. Sections 9-322, 9-329.02, 9-329.03, and 9-340.02, R.S.Supp., 1991. December 5, 1992.)